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ARIZONA CORPORATION COMMISSION

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October 9, 2009

ARIZONA CORPORATION COMMISSION
Via E-mail and United States Mail

ORIGINAL

Mauro Calvi
Greenfly Networks, Inc. dba Clearfly
Communications
222 N. 32nd St.
Billings, Montana 59101

Re: Staff's Letter of Insufficiency and Staff's First Set of Data Requests to Greenfly Networks, Inc.
dba Clearfly Communications
Docket No. T-20701A-09-0437

Dear Mr. Calvi:

On September 14, 2009, Greenfly Networks, Inc. dba Clearfly Communications ("Greenfly" or "the Company") filed an Application and Petition at the Arizona Corporation Commission ("Commission") to apply for a Certificate of Convenience and Necessity ("CC&N") to provide resold long distance and resold local exchange telecommunications services within the State of Arizona. The Application submitted is not yet sufficient. The Application submitted is not yet sufficient. This data request lists the information Staff needs to complete its analysis of your application. Please consider this Staff's First Set of data requests to Greenfly Networks, Inc. dba Clearfly Communications in the above referenced matter.

For purposes of this data request set, the words "Greenfly," "Company," "you," and "your" refer to Greenfly Networks, Inc. dba Clearfly Communications and any representative, including every person and/or entity acting with, under the control of, or on behalf of Greenfly Networks, Inc. dba Clearfly Communications. **For each answer, please identify by name, title, and address each person providing information that forms the basis for the response provided.**

These data requests are continuing and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that should come to your attention after you have provided your initial responses. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s).

Please provide the information being requested within 30 days of the date of this letter. Mail the responses to Lori Morrison, Arizona Corporation Commission, Utilities Division, 1200 W. Washington Street, Phoenix, AZ 85007-2927 or email responses to lmorrison@azcc.gov. If no response is received, Staff will recommend that the Application be terminated. If the Application is terminated, the Applicant will not be authorized to provide the requested telecommunications services in the state of Arizona, until such time as a new Application is filed with and approved by the Commission.

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Should there be any questions, please contact me at (602) 542-2177. Thank you for your prompt response to this request.

Respectfully,

A handwritten signature in cursive script that reads "Lori Morrison".

Lori Morrison
Public Utilities Analyst
Utilities Division

LLM:red

Attachments

Docket Control: Original and 13 copies

STAFF'S FIRST SET OF DATA REQUESTS TO
GREENFLY NETWORKS, INC. DBA CLEARFLY COMMUNICATIONS
DOCKET NO. T-20701A-09-0437

In addition to a paper response, all information responses should also be provided in searchable PDF, DOC or EXCEL files via email or electronic media.

Please make sure each numbered item and each part of the item is answered completely

- STF 1.1 In response to requirement A-8, a copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC or other entity in Arizona is required in Attachment A. However, the Applicant only provided the letter that accompanies the certificate and not the certificate itself. Please amend the Application by submitting the Certificate of Good Standing.
- STF 1.2 In its response to requirement A-17, the Applicant indicated that it would be reselling Qwest's and other similar carriers' services in order to provide the services proposed in its application. However, in discussing the Application with Mr. Mauro Calvi, President and Director of Greenfly Networks, Inc. dba Clearlyfly Communications, Mr. Calvi indicated that the Applicant will be using 360networks' services for resale. Please clarify if the Applicant will be reselling Qwest's services in the provision of the services proposed in this Application.
- STF 1.3 In its response to requirement A-21, the Applicant indicated that in addition to having Resold Long Distance and Resold LEC services being declared competitive that it also wishes to have Facilities Based LEC services included. Since the Applicant did not indicate previously in it's application that it is requesting to provide Facilities Based LEC services, would the Applicant please amend its application by submitting a corrected sheet for the A-21 requirement which does not select the Facilities Based LEC service.
- STF 1.4 Requirements B-1 and B-2 indicate that financial statements for two (2) most recent years are required with the application. However the financial information provided was for less than one (1) year. Further, the Applicant indicates in its response to requirement B-3 that it will rely on the financial resources of its majority shareholder, Better Business Systems, Inc. to fund operations until profitability yet no financial statements were provided from that source. Please provide financial statements for Better Business Systems, Inc. for the two (2) most recent years and any auditor notes that are available for those statements.
- STF 1.5 Referencing the proposed Arizona Tariff No. 1, Original Sheet 5, the definition of Authorized User is "A person, fm or corporation authorized by the Customer to be an end-user of the service of the Customer". What does "fm" mean in the above context? If this is a typo, please correct and submit a corrected tariff sheet with the response to this question.
- STF 1.6 Referencing the proposed Arizona Tariff No. 1, Original Sheet 8, there appear to be a number of typos on this Sheet. Specifically, the definition of Subscriber

contains the words "fm" and "fiom" is used twice. In addition, the second definition on the page appears as "Switched Access Originatiod Termination. Further, in the definition of this second term, the term "LED-provided" is used instead of LEC-provided. Please correct and submit a corrected tariff sheet with the response to this question.

- STF 1.7 Referencing the proposed Arizona Tariff No. 1, Original Sheet 10, Subsection 2.1.3.F states "This tariff shall be interpreted and governed by the law of the state of Arizona regardless of its choice of laws provision". Please clarify whom "its" is in reference to in this context.
- STF 1.8 Referencing the proposed Arizona Tariff No. 1, Original Sheet 12, Subsection 2.1.4.E, the tariff states, "The Company does not guarantee or make any warranty with respect to installations provided by it for use in an explosive atmosphere." Please explain what is meant by the term "explosive atmosphere" in this context.
- STF 1.9 Referencing the proposed Arizona Tariff No. 1, Original Sheet 12, Subsection 2.1.4.F, the tariff states, "The Company makes no warranties or representations, EXPRESS OR IMPLIED,..." Should the term "EXPRESS" be EXPRESSED" if used in the above context? If so, please make the correction and submit a corrected tariff sheet with the response to this question.
- STF 1.10 Referencing the proposed Arizona Tariff No. 1, Original Sheet 12, Subsection 2.1.4.1.1, the last portion of this subsection states, "... (2) installation, operation, failure to operate, maintenance, removal, presence, condition, local or use of any equipment and facilities furnishing this service". In the above context, is the word "local" supposed to be the word "locale"? If so, please submit a corrected tariff sheet with the response to this question. If not, explain in detail why the word local belongs in the above context.
- STF 1.11 Referencing the proposed Arizona Tariff No. 1, Original Sheet 20, Subsection 2.5.3.B, would the Company be willing to add the Commission's website address (www.azcc.gov) and its local and 800 telephone numbers to this portion of the tariff? If not, why not? Please provide an updated tariff sheet with the requested information in response to this question.
- STF 1.12 Referencing the proposed Arizona Tariff No. 1, Original Sheet 22, Subsection 2.6.1.D, in the last sentence on the page, the word "fi-om" appears to be a misspelling of the word "from". Please correct the misspelling and submit a corrected tariff sheet with the response to this question.
- STF 1.13 Referencing the proposed Arizona Tariff No. 1, Original Sheet 26, Subsection 2.12.1, the last two sentences state "The Arizona Universal Service Fund (AUSF) surcharge will be the amount set forth in the Arizona Administrative Code, R14-2, Article 12. The percentage and amount set forth will be subject to periodic adjustment by the Company". Because the surcharge amount is NOT set forth in

A.A.C. R14-2, Article 12, but rather is set pursuant to these rules. In addition, the last sentence needs some clarification as to what entity sets the percentage and amount. Please replace the last two sentences in this subsection as indicated below and submit a corrected tariff sheet with the response to this question. Please add the following in place of the existing last two sentences: "The Arizona Universal Service Fund (AUSF) surcharge will be set pursuant to the Arizona Administrative Code, R14-2, Article 12. The percentage and amount set forth by the Commission are subject to periodic adjustment by the Company".

- STF 1.14 Referencing the proposed Arizona Tariff No. 1, Original Sheet 26, Subsection 2.13.2, the third line states "...the Company or to fulfill the requirements of Commission rides shall be kept on file in the office..." The word "rides" appears to be a misspelling of the word "rules". Please correct this error and include a corrected tariff sheet in response to this question.
- STF 1.15 Referencing the proposed Arizona Tariff No. 1, Original Sheet 26, Subsection 2.14.A, the first line states "Cancellation by Customer Customers may cancel service in writing." Please clarify if the inclusion of the words "Customer Customers" is an error. If so, please correct this error and include a corrected tariff sheet in response to this question.
- STF 1.16 Based on the services to be provided as described on proposed Arizona Tariff No. 1, Original Sheet 27, Subsection 4.3.1, is the service considered a Voice over Internet Protocol ("VoIP") type service or utilize VoIP-type technology or arrangement to provide the proposed services?
- STF 1.17 Referencing the proposed Arizona Tariff No. 1, Original Sheet 28, Subsection 4.3.2, the table presented lists each service package at the top and on the left side lists various categories. The category that is next to last is entitled "Recurring Monthly Cost". The last category is entitled "Maximum Rates". There are dollar amounts listed in the "Cost" row but there are no rates listed in the "Rates" Row. Please remove the "Cost" row as cost should not be in a tariff and please fill in the proposed "Maximum Rates" in the corresponding row. Please submit a corrected tariff sheet in response to this question.
- STF 1.18 Referencing the proposed Arizona Tariff No. 1, Original Sheet 30, the Subsection labeled "Public Pay Telephone Surcharge", the Applicant cites the FCC's pay telephone compensation plan. The Applicant is proposing a maximum rate of \$1.00. Since it is the Commission Staff's recommended practice to not allow a rate over \$.60 for the public telephone surcharge, would the Applicant be willing to charge the same rate as listed in their federal tariff, add a sentence to this page (Sheet 30) indicating the Applicant will charge the same rate as it is listed in their federal tariff and remove all other rates for the Public Telephone Surcharge in this proposed tariff? If so, please submit a corrected tariff sheet in response to this question. If not, please explain in detail why not.

- STF 1.19 Referencing the proposed Arizona Tariff No. 1, Original Sheet 31, the first full paragraph on this page states that long distance up to 1,500 MOUs per line is included in this service package. Please clarify if the "per line" means per DID or if it means something else and if it means something else, please explain what it does mean.
- STF 1.20 Referencing the proposed Arizona Tariff No. 1, Original Sheet 34, the maximum rate per call is \$2.0 for Directory Assistance. Please submit a corrected tariff sheet that lists the maximum rate as \$2.00 in response to this question.
- STF 1.21 Referencing the proposed Arizona Tariff No. 1, Original Sheet 35, the table in the middle of the page that lists Change Order Charges, please clarify if Telephone Number Change Order is supposed to have a charge associated with it as do the Feature Change Order, Record Change Order and Listing Change Charge or if changes are made on a per telephone number basis.
- STF 1.22 Referencing the proposed Arizona Tariff No. 1, Original Sheet 36, the maximum rate per occasion, per service item for Restoration of Service is \$20.0. Please submit a corrected tariff sheet that lists the maximum rate as \$20.00 in response to this question.
- STF 1.23 The proposed tariff does not indicate that Operator Services are being provided or may be accessed. Since access to Operator Services is required as part of Basic Local Exchange service, per A.A.C. § R14-2-1201.6, please explain in detail if the Applicant will be providing access to Operator Services and how that will be accomplished.
- STF 1.24 Referencing the proposed Arizona Tariff No. 1, Original Sheet 38, the last sentence on this page states "ICB will be filed with the Communications Division of the Commission". Companies offering services under contract are required to file those contracts with the Director of the Utilities Division pursuant to A.A.C. § R14-2-1115.C.3 and the sentence identified above should be removed completely from this page as it is not needed. Please submit a corrected tariff sheet without this last sentence in response to this question.
- STF 1.25 Referencing the proposed Arizona Tariff No. 1, Original Sheet 40 contains the Applicant's proposed Current Price List (see attached spreadsheet Rate Element List.xls).
- a. Please clarify if the rates reflected on this sheet are the monthly recurring rates for each service listed or the one-time, nonrecurring charges for each service listed.
 - b. For those rate elements that are not listed on Original Sheet 40, does the Applicant understand that the all other rates included in Tariff No. 1 will be considered maximum rates and by default will also be considered current rates? If no, please make the appropriate changes and submit revised tariff sheets.

- STF 1.26 Please provide simple diagrams depicting the provision of ClearPhone I and the ClearPhone III services starting with a customer's location to the point of termination at a carrier's location. Please include and clearly identify each component the Applicant will be providing and what services/components provided by Qwest or 360networks that will be resold, including and not limited to, interconnection to and use of the Public Switched Telephone Network ("PSTN").
- STF 1.27 Please provide the telephone number, the location of the customer service call center and the number of employees that work at the call center that will provide assistance to Arizona customers.
- STF 1.28 Will the Applicant have any employees located in Arizona? If yes, please specify how many. If not, why not?
- STF 1.29 Will the Applicant have any investments and/or assets located in Arizona? If yes, please specify those investments and/or assets. If no, why not?
- STF 1.30 How will the Applicant market their service in the Arizona market? Please provide any marketing material the Applicant will be using.
- STF 1.31 Will the Applicant be offering any services on a prepaid basis? If yes, please specify what those services are and how the prepayments will be handled by the Applicant.
- STF 1.32 Has the Applicant ever had any of its applications to provide service denied in any State? If so, please provide detailed information regarding the event(s).
- STF 1.33 Has the Applicant ever had any of its authority to provide service revoked in any State? If so, please provide detailed information regarding the event(s).
- STF 1.34 Please explain how the Applicant calculated the rates that are contained in its tariff for each of service.
- STF 1.35 Please explain why the Applicant believes that its rates are just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any and all supporting materials.
- STF 1.36 Please indicate why the Applicant believes that its rates are just and reasonable using a competitive market analysis. With the understanding that some of the Applicant's services may not have an exact match, the Applicant nonetheless must make a comparison of the "equivalent" of their services with that of its competitors in order to demonstrate that its rates and charges are similar to those of its competitors to meet the just and reasonable test. Any assumptions made in the comparisons should be noted on the spreadsheet. The analysis should contain publicly available examples of tariff rates and charges charged by the incumbent

and other carriers for similar services. Include supporting material and any other information that the Applicant believes demonstrates that the proposed tariff rates and charges are just and reasonable.

Use a matrix format to list the Company's proposed services, rates, and charges (see attached Excel file). Based on the Company's tariff, list all of the telecommunications services the company will provide in Arizona. For each of the telecommunications services listed, provide the Company's tariff page numbers that support each of the company's services, rates, and charges. Also, provide the same information requested of the Company for Qwest and two other Arizona local exchange competitors using the same matrix format. List each competitor's services, rates, and charges for the same or comparable services and include copies of the tariff page of each service, rate and charge of each competitor. For a list of telecommunications carriers certified in Arizona, go to www.azcc.gov/divisions/utilities/utilitylist.asp. For a list of Commission-approved telecommunications rates and tariffs, go to www.azcc.gov/Divisions/Utilities/Tariff/util-tariffs-telecom.asp.

(Please Note: Refer to Attachments A and B for the prescribed format to submit the company's telecommunications services, rates, and charges and the telecommunications services, rates, and charges of its competitors. Please make sure to include all supporting tariff pages for each of the company's

Rate Element	Max Rate	Current Rate
Monthly Recurring Rates		
ClearPhone Lite	\$ 250.00	\$ 195.00
ClearPhone I	\$ 700.00	\$ 495.00
ClearPhone II	\$ 1,500.00	\$ 995.00
ClearPhone III	\$ 2,000.00	\$ 1,695.00
Individual SIP Trunk	\$ 50.00	\$ 49.95
Additional DID	\$ 3.00	\$ 3.00
Basic Toll Free	\$ 10.00	\$ 5.00
Overage - per minute	\$ 0.25	
Toll Free 500	\$ 75.00	\$ 24.95
Overage - per minute	\$ 0.25	
Toll Free 1,000	\$ 150.00	\$ 44.95
Overage - per minute	\$ 0.25	
Toll Free 2,500	\$ 339.00	\$ 112.95
Overage - per minute	\$ 0.25	
Toll Free 5,000	\$ 600.00	\$ 199.95
Overage - per minute	\$ 0.25	
PRI Replacement	\$ 1,500.00	\$ 1,095.00
Primary Listings	\$ -	\$ -
Additional Listings	\$ 10.00	
Nonlisted Service	\$ 10.00	
Nonpublished Service	\$ 10.00	
Toll Free Directory Listings	\$ 30.00	
Straight Line Under Listings	\$ 10.00	
Captions and Subcaptions Listings	\$ 10.00	
Analog Telephone Line	\$ 60.00	\$ 39.95
Directory Assistance Service - per call rate	\$ 2.00	
Paper Invoicing	\$ 25.00	
Call Detail Report in format other than PDF	\$ 25.00	
Nonrecurring or Per Occurrence Charges		
ClearPhone Activation Charge (Lite, I, II)	\$ 500.00	
ClearPhone Activation Charge (III)	\$ 1,000.00	
SIP Trunk Activation Charge	\$ 60.00	
DID Activation Charge/Port Charge	\$ 20.00	
Toll Free Activation Charge	\$ 40.00	
PRI Replacement Activation Charge	\$ 1,000.00	
Analog Telephone Line Activation Charge	\$ 80.00	
Directory Listing Activation Charge	\$ 20.00	
Transfer of Service Charge	\$ 150.00	
Technician Dispatch Charge (or Trouble Isolation Charge)	\$ 150.00	
Premises Visit Charge, First 15 Minutes	\$ 80.00	
Premises Visit Charge, add'l 15 Minutes	\$ 60.00	
Feature Change Order	\$ 50.00	
Record Change Order	\$ 50.00	
Listing Change Charge	\$ 50.00	
Restoration of Service	\$ 20.00	
Return Check Charge	\$ 35.00	

ATTACHMENT B
BY COMPETITOR

Business Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Applicant's Arizona Tariff Attach Tariff Sheets for Support			Qwest's Arizona Tariff Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service or Greenfly's Equivalent						
Service Connect Fee						
Dispatch Call & Trouble isolated on cust. equip.						
Feature Change Order						
Toll Restriction Fee Order						
Transfer of Service (move order)						
Restoration of Service						
Directory Assistance						
Miscellaneous Services & Rates						
Returned Check Charge (NSF)						
Listings						
Directory Listing Service - Primary Listing						
Directory Listing Service - Non-Published						
PRI Service or Greenfly's Equivalent with Unlimited Local Calling						
Month-to-month						
12 Months						
24 Months						
36 Months						
Non-recurring on PRI Install						

Business Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Competitor #1 Arizona Tariff Name of Competitor			Competitor #2 Arizona Tariff Name of Competitor		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service						
Service Connect Fee						
Dispatch Call & Trouble isolated on cust. equip.						
Feature Change Order						
Toll Restriction Fee Order						
Transfer of Service (move order)						
Restoration of Service						
Directory Assistance						
Miscellaneous Services & Rates						
Returned Check Charge (NSF)						
Listings						
Directory Listing Service - Primary Listing						
Directory Listing Service - Non-Published						
PRI Service or Greenfly's Equivalent with Unlimited Local Calling						
Month-to-month						
12 Months						
24 Months						
36 Months						
Non-recurring on PRI Install						

ATTACHMENT D
BY STATE

Business Rate Comparison of Telecommunications Services provided by Applicant in other States		Applicant's Arizona Tariff			Applicant's Tariff (State #1)		
		Attach Tariff Sheets for Support			Attach Tariff Sheets for Support		
		Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services							
	Basic Local Service or Greenfly's Equivalent						
	Service Connect Fee						
	Dispatch Call & Trouble isolated on cust. equip.						
	Telephone Number Change order						
	Feature Change Order						
	Toll Restriction Fee Order						
	Record Change Order						
	Transfer of Service (move order)						
	Restoration of Service						
	Temporary Suspension Fee						
	Directory Assistance						
	Directory Assistance via Operator						
Miscellaneous Services & Rates							
	Returned Check Charge (NSF)						
Listings							
	Directory Listing Service						
	Primary Listing						
	Non-Published						
	Toll Free Directory Listings						
	Straight Line Under Directory Listing (indent listing)						
PRI Service or Greenfly's Equivalent with Unlimited Local Calling							
	12 Months						
	24 Months						
	36 Months						
	Non-Recurring on a PRI Install						
	Order Cancellation Charge						
	Order Sup Charge						

Business Rate Comparison of Telecommunications Services provided by Applicant in other States		Applicant's Tariff (State #2)			Applicant's Tariff (State #3)		
		Attach Tariff Sheets for Support			Attach Tariff Sheets for Support		
		Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services							
	Basic Local Service						
	Service Connect Fee						
	Dispatch Call & Trouble isolated on cust. equip.						
	Telephone Number Change order						
	Feature Change Order						
	Toll Restriction Fee Order						
	Record Change Order						
	Transfer of Service (move order)						
	Restoration of Service						
	Temporary Suspension Fee						
	Payphone Surcharge						
	Directory Assistance						
	Directory Assistance via Operator						
Miscellaneous Services & Rates							
	Returned Check Charge (NSF)						
Listings							
	Directory Listing Service						
	Primary Listing						
	Non-Published						
	Toll Free Directory Listings						
	Straight Line Under Directory Listing (indent listing)						
PRI Service or Greenfly's Equivalent with Unlimited Local Calling							
	12 Months						
	24 Months						
	36 Months						
	Non-Recurring on a PRI Install						
	Order Cancellation Charge						
	Order Sup Charge						